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U. S. DEPT. OF AGRIC.
MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA

February 1969

Number 7

Released Pursuant to ~~\$1090.27 (11) (A)~~ and \$1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - FEBRUARY 1969

The Chattanooga Order MINIMUM uniform producer price is \$5.90 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 7.8 cents for each one-tenth of one percent above or below 3.5% test.

In February 1969, 71.6% of the producer milk received by pool plants was priced in Class I at \$6.58 per cwt. and 28.4% was priced in Class II at \$4.23 per cwt. The February butterfat differential for Class I was 8.0 cents and Class II was 7.6 cents.

Total producer milk received during February 1969 was 21,048,945 pounds which is an increase of 3,980,389 pounds or 27.7% compared with February 1968. The February daily average deliveries per farm from 612 producers was 1,228 pounds. This compares to 541 farms delivering a daily average of 1,088 pounds per day during February 1968.

USDA SETS HEARING MARCH 27 AT CHATTANOOGA

Proposals to change the milk marketing areas of the Chattanooga, Tennessee, and the new Georgia federal milk marketing orders will be considered at a public hearing beginning at 10:00 A.M. in the Read House Hotel at Chattanooga, Tennessee, March 27, 1969, the U. S. Department of Agriculture announced.

The hearing will consider whether any or all of five Georgia counties--Floyd, Gilmer, Gordon, Pickens, and Union--should be under the Chattanooga or Georgia milk order. The five counties lie between the Chattanooga and Georgia marketing areas.

The hearing also will consider several other proposals to amend the Chattanooga order with respect to location adjustments, supply-demand adjustments, buttermilk classification, and milk diversions.

NEW GEORGIA MILK ORDER

The U. S. Department of Agriculture has issued a new Federal milk marketing order to regulate the handling of milk in Georgia. The order will be partially effective March 1, with the start of handler reporting, and some administrative provisions. Pricing, market-wide pooling and all other provisions will become effective on April 1, 1969. Mr. E. Hickman Greene, who has administered the Upper Chesapeake Bay, Maryland, order, has been named Market Administrator of the new Georgia order.

Approval of the order was determined in a referendum in which 1,028 dairy farmers, or 96 percent of the 1,072 voting, favored its issuance. Also, a base-excess plan of paying farmers under the order was approved by 820 dairy farmers, or 95 percent of the 867 who voted individually on the plan.

Similar to other Federal milk marketing orders, the Georgia order will set minimum prices to dairy farmers for milk sold in Class I and Class II to milk dealers doing business in the designated marketing area. This marketing area comprises all of Georgia except 13 northern counties. Atlanta, Savannah, Columbus, Augusta, Macon, and Albany are the principal cities in the marketing area, the population of which is about 4 million.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Feb. '69 Over Feb. '68	Feb. 1969 18	Jan. 1969 18	Feb. 1968 10
Number of Plants (Pool and Non-Pool)				
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 27.7	751,748	734,131	588,571
Other Source	+ 122.8	62,790	47,729	28,186
Other Federal Orders	+ 108.5	268,905	270,870	128,992
TOTAL MILK RECEIPTS	+ 45.3	1,083,443	1,052,730	745,749
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 1.2	395,723	395,996	391,184
Skim - Regular	+ 5.0	21,873	21,178	20,826
Skim - 2% Milk	+ 91.1	73,951	71,913	38,689
Buttermilk	+ 9.4	46,873	47,983	42,835
Flavored Milk and Drink	+ 12.5	14,384	13,358	12,786
Creams (Sweet and Sour)	- 0.7	3,074	3,026	3,097
Sub-Total - Pkg. Products (Pool Plants)	+ 9.1	555,878	553,454	509,417
Other (Shrinkage, Inventory, etc.)		2,570	5,682	290
Sales to Non-Pool Plants		120,099	194,950	67,509
In-Area Sales by Non-Pool Plants		58,634	57,595	2,693
TOTAL CLASS I MILK	+ 27.1	737,181	811,681	579,909
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 13.8	38,434	37,383	33,783
Cottage Cheese	+ 13.6	37,876	34,625	33,327
Powdered and Condensed Milk		4,892	18,084	58,973
Livestock Feed and Milk Dumped		5,745	6,015	6,143
Sub-Total - Used to Produce	- 34.2	86,947	96,107	132,226
Shrinkage Class II		15,017	13,364	7,178
Other (Inventory Variation, etc.)		8,767	(10,914)	(5,887)
Bulk Sales to Non-Pool Plants		235,531	142,492	32,323
TOTAL CLASS II MILK	+ 108.8	346,262	241,049	165,840
Class I Pkg. Lbs. in Area - Pool Plants	+ 51.1	462,199	462,608	305,948
Class I Pkg. Lbs. Out of Area - Pool Plants	- 54.0	93,679	90,846	203,469
Class I Pkg. Lbs. in Area - Non-Pool Plants		58,634	57,595	2,693
% Producer Milk of Gross Class I		102.0	90.4	101.5
% Producer Milk Priced in Class I		71.6	78.7	82.6

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

<u>Per \$ 1090.51(a) Amended</u>	<u>Mar. '69</u>	<u>Feb. '69</u>	<u>Mar. '68</u>
Basic Formula	\$4.33	\$4.33	\$4.05
Plus Class I Differential	1.95	1.95	1.95
Supply-Demand Adjustment	0.28	0.30	0.20
Class I Price, 3.5% Butterfat	\$6.56	\$6.58	\$6.20

MARCH 1969

Supply-Demand Comparison: 2nd and 3rd preceding months: December and January	
Supply: Lbs. Producer Milk (Dec. 22,314,209 and Jan. 22,758,046)	45,072,255
Demand: Lbs. Net Class I Milk (Dec. 20,385,922 and Jan. 23,376,674)	43,762,596
Utilization Percentage: Producer milk divided by Class I	103
Standard Utilization Percentage: Range 117-121	117
Net Deviation Percentage: Utilization minus Standard Utilization	Minus 14
Supply-Demand Adjustment: 2 cents x 14 percentage points	Plus \$0.28

COMPUTATION OF PRODUCER UNIFORM PRICE

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FEBRUARY 1969	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		20,641,080	3.396		
Less Other Source		5,568,718	3.331		
Producer Milk Class I	71.6	15,072,362	3.419729	\$6.515783	\$ 982,082.40
Gross Class II		9,695,326	5.022		
Less Other Source		3,718,743	4.016		
Producer Milk Class II	28.4	5,976,583	5.647725	5.862271	350,363.49
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	21,048,945	4.052341		\$1,332,445.89
Add Fractional Adjustment					.04
Add Value of Inventory Reclassified					60.54
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		248,529			12,109.60
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,269.16
TOTAL VALUE AT TEST		21,297,474	4.020989	\$6.347632	\$1,351,885.23
Less Test over 3.5% @ 7.8¢ per point		21,297,474	0.520989	.406371	86,546.76
TOTAL UTILIZATION VALUE AT 3.5%		21,297,474	3.5	\$5.941261	\$1,265,338.47
Less Producer-Settlement Fund Reserve		21,297,474		.041261	8,787.55
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		21,297,474	3.5	\$5.90	\$1,256,550.92

FEBRUARY 1969 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 7.8¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.51	3.6	\$5.978	4.2	\$6.446	4.8	\$6.914	5.4	\$7.382
3.05	5.549	3.65	6.017	4.25	6.485	4.85	6.953	5.45	7.421
3.1	5.588	3.7	6.056	4.3	6.524	4.9	6.992	5.5	7.46
3.15	5.627	3.75	6.095	4.35	6.563	4.95	7.031	5.55	7.499
3.2	5.666	3.8	6.134	4.4	6.602	5.0	7.07	5.6	7.538
3.25	5.705	3.85	6.173	4.45	6.641	5.05	7.109	5.65	7.577
3.3	5.744	3.9	6.212	4.5	6.68	5.1	7.148	5.7	7.616
3.35	5.783	3.95	6.251	4.55	6.719	5.15	7.187	5.75	7.655
3.4	5.822	4.0	6.29	4.6	6.758	5.2	7.226	5.8	7.694
3.45	5.861	4.05	6.329	4.65	6.797	5.25	7.265	5.85	7.733
3.5	5.90	4.1	6.368	4.7	6.836	5.3	7.304	5.9	7.772
3.55	5.939	4.15	6.407	4.75	6.875	5.35	7.343	5.95	7.811

ANNOUNCED 1969 PRODUCER BASES

The average daily bases that producers established during the months of September 1968 thru January 1969 were announced by the Market Administrator during February 1969. These bases are to be used by handlers for making payments to producers for milk deliveries during March thru July 1969. Any non-member producer who established a base but did not receive a base notice should contact the office of the Market Administrator.

PRODUCER ANNOUNCED BASES - FOUR YEARS COMPARISON

Base Range Pounds	1969	1968	1967	1966	Base Range Pounds	1969	1968	1967	1966
	Number of Producers					Number of Producers			
0-199	7	7	9	12	800- 899	43	47	36	52
200-299	20	22	27	34	900- 999	44	40	56	43
300-399	35	30	39	50	1000-1499	147	119	125	137
400-499	34	32	46	65	1500-1999	55	47	44	53
500-599	45	48	52	51	2000-2499	32	23	23	25
600-699	49	56	42	68	Over-2500	50	38	29	28
700-799	52	34	39	45	Total Prod.	613	543	567	663

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Feb. '68	\$5.77	-	-	8.4¢	\$6.20	8.6¢	\$4.00	7.6¢
Mar.	5.68 2/	\$5.81	\$3.98	8.2	6.20	8.6	4.02	7.6
Apr.	5.67 2/	5.89	4.14	8.2	6.28	8.6	4.18	7.6
May	5.90 2/	6.14	4.15	8.2	6.56	8.6	4.19	7.6
June	5.79 2/	5.96	4.14	8.2	6.44	8.6	4.18	7.6
July	5.97 2/	6.15	4.14	8.2	6.52	8.6	4.18	7.6
Aug.	6.22	-	-	8.0	6.62	8.0	4.20	7.7
Sept.	6.16	-	-	8.0	6.70	8.0	4.23	7.9
Oct.	6.31	-	-	8.0	6.68	8.2	4.28	7.7
Nov.	6.22	-	-	8.0	6.62	8.1	4.27	7.7
Dec.	6.03	-	-	8.0	6.72	8.0	4.30	7.9
Jan. '69	6.16	-	-	8.0	6.72	8.2	4.27	7.6
Feb.	5.90	-	-	7.8	6.58	8.0	4.23	7.6
Mar.	-	-	-	-	6.56	8.0	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi.92 ⁰ Butter	Minn/Wisc Mfg. Milk	Chi.Area Powder	Basic Formula 4/	Class I		Class II	
	¢ Lb.	\$-cwt-3.5%	¢ Lb.	\$-cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Feb. '68	66.44	4.00	19.46	4.05	486,051	3.55	102,520	6.64
Mar.	66.44	4.02	19.49	4.05	463,722	3.48	133,332	5.80
Apr.	66.44	4.18	21.96	4.33	474,081	3.44	179,918	4.95
May	66.44	4.19	22.62	4.33	467,606	3.45	171,375	4.85
June	66.44	4.18	22.54	4.33	432,917	3.40	167,462	4.93
July	66.43	4.18	22.77	4.33	439,957	3.40	130,640	5.06
Aug.	66.59	4.20	22.90	4.33	504,464	3.40	96,996	5.47
Sept.	68.54	4.23	22.91	4.33	561,274	3.45	155,047	5.07
Oct.	67.29	4.28	22.95	4.33	617,813	3.59	106,841	6.20
Nov.	66.79	4.27	22.75	4.33	727,083	3.49	158,337	6.39
Dec.	68.73	4.30	22.73	4.33	526,471	3.52	193,342	5.89
Jan. '69	66.41	4.27	22.95	4.33	577,625	3.48	156,506	6.63
Feb.	66.39	4.23	22.94	4.33	538,299	3.42	213,449	5.65

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Feb. '68	10	745,749	579,909	541	588,571	-	4.08	1,088	-	-
Mar.	11	763,766	556,510	539	597,054	553,510	3.99	1,108	1,027	81
Apr.	11	804,063	531,929	536	653,999	574,609	3.85	1,220	1,072	148
May	11	805,968	533,685	535	638,981	563,280	3.82	1,194	1,053	141
June	11	798,670	533,671	537	600,379	546,005	3.82	1,118	1,017	101
July	10	758,105	563,764	535	570,597	519,550	3.78	1,067	971	96
Aug.	17	855,075	708,065	541	601,460	-	3.73	1,112	-	-
Sept.	17	1,014,868	786,828	620	716,321	-	3.80	1,155	-	-
Oct.	17	1,025,424	873,378	619	724,654	-	3.98	1,171	-	-
Nov.	17	1,219,630	938,723	721	885,420	-	4.01	1,228	-	-
Dec.	18	1,003,719	711,555	624	719,813	-	4.16	1,154	-	-
Jan. '69	18	1,052,730	811,681	619	734,131	-	4.16	1,186	-	-
Feb.	18	1,083,443	737,181	612	751,748	-	4.05	1,228	-	-

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I

4/ Basic Formula "floor" per Order Amendments